

October 4, 2019

«First\_Name» «Last\_Name»  
«Address1»  
«Address2»  
«city», «State» «Zip»

**SUBJECT: Notice of Creditable Coverage**  
Insurance ID: «alt\_id»/ Employee ID: «Employee»

Dear «First\_Name»,

**This is an important notice about your current prescription drug coverage and the prescription drug coverage available for individuals who are eligible for Medicare.**

**South Dakota State Employee Health Plan Prescription Drug Coverage**

- Currently, you have prescription drug coverage under the South Dakota State Employee Health Plan.
- The prescription drug coverage is comparable to the standard Medicare prescription drug plan and is considered creditable coverage. You will not be assessed a penalty on your Medicare Prescription Drug (Part D) coverage if you enroll without a coverage gap between your current plan and Medicare Part D.
- The State of South Dakota does not offer a Medicare Part D plan.
- ***You are not eligible for a Medicare prescription drug plan if you have coverage under the South Dakota State Employee Health Plan.***

**Medicare Prescription Drug (Part D) Coverage**

- Prescription drug coverage is available to Medicare participants through either a Medicare prescription drug plan or a Medicare Advantage Plan.
- View your options at [www.Medicare.gov](http://www.Medicare.gov) and use their Plan Finder tool.
- All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Plan coverage and pricing vary based on each individual's prescribed medications, use the Plan Finder tool at [www.Medicare.gov](http://www.Medicare.gov) to determine which plan is the best fit for your individual situation. You have the opportunity to enroll in a Medicare prescription drug plan every year from October 15 to December 7 or other times throughout the year if you qualify for a Special Enrollment Period.

**Remember to keep this notice.** You may be asked for a copy of this notice if you enroll in one of the Medicare prescription drug plans. This notice provides proof of creditable coverage so you will not be required to pay a higher premium amount. Please see page two of this letter for more information on Medicare prescription drug plans.

Sincerely,

*Derek Moore*

Derek Moore  
Benefits Specialist

## Frequently Asked Questions

### 1. What happens when I turn 65?

When you turn 65, your health and prescription drug coverage under the South Dakota State Employee Health Plan may end and you are eligible for Medicare.

**Your coverage will not end if you are:**

- an active employee age 65 years and older,
- a spouse age 65 years and older covered under an active employee,

### 2. When can I enroll in a Medicare prescription drug plan?

You can enroll in a Medicare prescription drug plan when you first become eligible for Medicare (the first of the month in which you turn 65 or the first of the prior month if your birthday falls on the 1<sup>st</sup> day of the month). You may also enroll each year from October 15 through December 7 or during a Special Enrollment Period.

### 3. What if my health coverage ends and I don't enroll in a Medicare prescription drug plan?

If you do not enroll in a Medicare prescription drug plan when your coverage ends, you may be assessed a penalty on your Part D plan.

If you go 63 days or longer without prescription drug coverage, your monthly premium under the Medicare prescription drug plan will increase at least 1% per month for every month that you did not have the coverage.

For example, if you do not have coverage for 19 months before enrolling in Medicare prescription drug coverage, your premium with a Medicare prescription drug plan will always be assessed a 19% penalty based on the Medicare Base Beneficiary premium that is set each year. You'll have this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next Open Enrollment Period (October 15 – December 7) to enroll with coverage starting effective January of the following year.

### 4. Why do I need to keep this notice?

This notice provides Medicare with proof of creditable coverage. Proof of creditable coverage is your evidence if a plan inaccurately applies a penalty on your premium when you had adequate coverage. Keep this notice in your permanent records to show Medicare Part D plans if they question your gap in Medicare prescription drug coverage.

### 5. How do I get another notice of creditable coverage?

If you need another copy of your notice of creditable coverage, please call us at 877.573.7347, option 2. You may also write us at the address on the reverse side. You will receive this notice annually.

### 6. Where can I find more information about enrolling in Medicare prescription drug plans?

For detailed information about Medicare plans that offer prescription drug coverage, reference the "Medicare & You" handbook. You'll receive a copy of the handbook in the mail every year from Medicare. For more information about Medicare drug plans:

- Visit [www.Medicare.gov](http://www.Medicare.gov).
- Call SHINE (Senior Health Information and Insurance Education) at 1.800.536.8197 or visit [www.SHINE.net](http://www.SHINE.net). SHINE is a volunteer program through Department of Human Services that provides free, confidential and unbiased services for Medicare beneficiaries.
- Call 1.800.MEDICARE (1.800.633.4227). TTY users should call 1.877.486.2048.

For individuals with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, contact SHINE or visit the Social Security Administration Website at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1.800.772.1213. TTY users should call 1.800.325.0778.